

# THE CALIFORNIA TECHNOLOGY, TRADE AND COMMERCE AGENCY

GLOBAL ECONOMIC DEVELOPMENT DIVISION



## CALIFORNIA'S INTERNATIONAL TRADE 2002

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## INTRODUCTION

The California Technology, Trade and Commerce Agency serves as the state's principal catalyst for innovation, investment and economic opportunity, enhancing the quality of life for all Californians. California produces more than \$1.4 trillion in goods and services annually, making the state the fifth largest economy in the world. California is the prime hemispheric gateway for trade and investment in the United States, with annual exports totaling over \$90 billion. Through its twelve overseas offices in Asia, Europe, Latin America and Africa, the Global Economic Development Division works to increase exports and attract foreign direct investment, creating new jobs and economic opportunities for Californians.

In 2002, California exported \$92.2 billion worth of goods to 222 countries worldwide. Exports declined by 13.6 percent from 2001, when sales reached \$106.8 billion. The previous year (2000) set a record high, with sales totaling \$119.6 billion. The decrease in exports over the past two years is attributable to the overall global economic slowdown. Regardless, California maintains its position as a top exporting state, second only to Texas for the year 2002. California exports accounted for 13.3 percent of total U.S. overseas sales in 2002. United States exports also experienced a decrease in 2002, falling 5.2 percent to \$693.2 billion, down from \$731 billion in 2001.<sup>1</sup>

It is important to note that these export values do not include trade in services. The services sector accounts for at least 80 percent of the United States' total Gross Domestic Product (GDP), and for over one-quarter of U.S. exports. California is a leader in most of the top ten U.S. services exports, including financial services (banking and insurance), professional and technical services (accounting, advertising, construction, legal), education, entertainment, information technology services, telecommunications and health care. The federal government calculates services exports on the national level, however, data is not available on a per-state basis. Given the size of California's economy and its dependence on the services sector, California is likely the number-one state in terms of services exports combined with manufactured exports. In 2001, the United States exported \$266 billion in services worldwide.

<b>TABLE 1: TOP U.S. EXPORTING STATES</b> (values given in billions)						
<b>Rank</b>	<b>State</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>% Change 2001-02</b>	<b>% of Total U.S. Exports</b>
1	Texas	\$103.8	\$95	\$95.4	.42	13.7
2	California	119.6	106.8	92.2	-13.6	13.3
3	New York	42.8	42.2	36.9	-12.3	5.3
4	Washington	32.2	34.9	34.6	-.86	4.9
5	Michigan	33.8	32.3	33.7	4.3	4.8
6	Ohio	26.3	27.1	27.7	2.3	3.9
7	Illinois	31.4	30.4	25.7	-15.6	3.7
8	Florida	26.5	27.2	24.5	-9.7	3.5
9	Louisiana	16.8	16.6	17.5	5.8	2.5
10	New Jersey	18.6	18.9	17.0	-10.2	2.4
<b>TOTAL ALL STATES</b>		<b>\$780.4</b>	<b>\$731</b>	<b>\$693.2</b>	<b>-5.17</b>	

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<sup>1</sup> All of the trade statistics in this report are from the U.S. Census Bureau's Foreign Trade Division, with imputations by the Massachusetts Institute for Social and Economic Research (MISER).

## JOBS AND INTERNATIONAL TRADE

International trade and exports translate into high-paying jobs for over one million Californians. California leads the nation in export-related jobs. Workers in jobs supported by trade of manufactured goods earn on average 13-18 percent higher wages than the national average. Export-supported jobs account for over 10 percent of California's total private sector employment – about one in ten jobs. The TTCA's Office of Export Development, the California Export Finance Office and the overseas offices worked to facilitate business deals that resulted in the creation of over 7,000 new jobs in the past three fiscal years. For more information on jobs created and export success stories, see the Year in Review 2000-01, available online:

[http://commerce.ca.gov/ttca/pdfs/detail/int\\_trade/0001YIR.pdf](http://commerce.ca.gov/ttca/pdfs/detail/int_trade/0001YIR.pdf).

## CALIFORNIA'S KEY EXPORT INDUSTRIES

California's main strength as a successful exporting state is its diversity. California is home to several important export industries, including computers and information technology, entertainment, agriculture, chemical production, aerospace and manufacturing. California export sales exceeded \$1 billion in 15 of 31 export categories tallied by the NAICS (North American Industry Classification System) series. The following chart lists California's top 10 export industries in 2002.

<b>TABLE 2: CALIFORNIA'S TOP TEN EXPORT CATEGORIES, 2002</b>		
<b>RANK</b>	<b>INDUSTRY</b>	<b>2002 EXPORTS (in billions)</b>
1	Computer and electronic products	\$39.5
2	Non-electrical machinery	9.5
3	Transportation equipment	7.1
4	Chemicals	5.4
5	Miscellaneous manufactured commodities	4.5
6	Agricultural products	3.9
7	Food and kindred products	3.5
8	Electrical equipment and appliances	2.9
9	Fabricated metal products	2.1
10	Plastics and rubber products	1.5

Of these categories, California leads the nation in exports of computer and electronic products, and in sales of food and kindred products. California exports of computer and electronic products account for 43 percent of all California exports, and 27 percent of total U.S. exports in that category.

Key sectors showing strong growth in 2002 include: chemicals (\$5.4 billion, up 4.4 percent), miscellaneous manufactured commodities (\$4.5 billion, up 3 percent), and textiles and fabrics (\$613.7 million, up 10.8 percent).

## GLOBAL EXPORT DESTINATIONS

California's export patterns are reflective of its advantageous geographic location on the edge of the North American Pacific Rim and its shared border with Mexico and proximity to the rest of Latin America. California has traditionally served as the gateway to Asia for U.S. exporters, but sales to the Americas and Europe are nearly as significant.

- Exports to **Asia** reached \$38.5 billion, a decrease of 16.1 percent from 2001. California is the top exporting state to Asia, comprising nearly one-quarter of total U.S. exports to the region. With sales of \$11.1 billion in 2002, **Japan** is California's number-one market in Asia, and second-largest export market overall. Exports to Asia accounted for 42 percent of 2002 California exports worldwide.
- California exports to **Europe** (including Russia and the former Soviet Republics) totaled \$20.6 billion in 2002, down 17.4 percent from 2001. California is the top exporting state to Europe. Twenty-two percent of California's total exports are sold in Europe. The **United Kingdom** has traditionally been California's number-one market in Europe. With sales of \$4.3 billion in 2002, the UK ranks as the state's #7 market overall.
- Export sales to **North America, Latin America and the Caribbean** reached \$28.7 billion in 2002, comprising 31 percent of total California exports. Exports to NAFTA partners **Canada** (\$10.1 billion) and **Mexico** (\$16.1 billion) accounted for the bulk of this figure. Mexico is California's top export market, and Canada is the state's third-largest market.
- For more detailed information on California exports by country and industry, see the attached appendices or visit the Technology, Trade and Commerce Agency's Global Economic Development Division's statistics page at <http://www.tradepolicy.ca.gov>.

<b>TABLE 3: LEADING CALIFORNIA EXPORT MARKETS</b> (in billions)				
<i>COUNTRY</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>% Change 2001-02</i>
Mexico	\$17.5	\$16.3	\$16.1	-1.6
Japan	16.4	14.6	11.1	-24
Canada	14.1	11.8	10.1	-14.7
China (Taiwan)	7.4	5.6	5.4	-4.8
Korea	6.9	5.0	4.7	-6.4
China (Mainland)	3.5	4.6	4.5	-4.1
United Kingdom	5.9	5.6	4.3	-22.2
Hong Kong	4.1	3.9	3.7	-6.3
Netherlands	4.9	4.3	3.6	-17
Germany	5.3	4.6	3.5	-25.3
<b>Total CA Exports</b>	<b>\$119.6</b>	<b>\$106.8</b>	<b>\$92.2</b>	<b>-13.6</b>

## ASIA PACIFIC

California, the nation's top exporter to Asia, has traditionally had a very strong economic relationship with the Asia-Pacific region due to the state's strategic location and large ocean shipping ports. Exports to the Asian 10 (Japan, Korea, China, Taiwan, Hong Kong, Singapore, Thailand, Indonesia, the Philippines and Malaysia) accounted for 40 percent of all California exports in 2002. Export sales reached \$37.5 billion but declined by 16.6 percent on the year, compared to 29 percent growth in 2000. Five of California's top ten export markets are Asian countries: Japan (#2), Taiwan (#4), Korea (#5), China (#6) and Hong Kong (#8).

Exports of computer and electronic products dominate the Asian markets. California exported \$17.1 billion in computer-related goods to Asia in 2002, accounting for nearly half of all California exports to the region.

The Technology, Trade and Commerce Agency (TTCA) has six offices of trade and investment in Asia, located in [Tokyo](#), [Hong Kong](#), Shanghai, Singapore, [Seoul](#) and Taipei. The directors and staff members of the offices work to foster trade relationships between California companies and Asian buyers. In addition, the offices assist Asian businesses interested in expanding their operations to California.

<b>TABLE 4: CALIFORNIA EXPORTS TO THE ASIAN 10</b> <b>1999-2002</b> <i>(in billions)</i>					
	1999	2000	2001	2002	% change 2001-02
<b>TOTAL ALL COUNTRIES</b>	<b>\$39.3</b>	<b>\$50.7</b>	<b>\$44.9</b>	<b>\$37.5</b>	<b>-16.6</b>
Japan	\$12.8	\$16.4	\$14.6	\$11.1	-24
China (Taiwan)	\$5.4	\$7.3	\$5.6	\$5.4	-4.8
Korea, Republic of	\$5.3	\$6.9	\$5.0	\$4.7	-6.4
China (Mainland)	\$2.4	\$3.5	\$4.6	\$4.5	-4
Singapore	\$4.6	\$5.0	\$4.2	\$3.3	-22
Hong Kong	\$3.6	\$4.1	\$3.9	\$3.7	-6.3
Malaysia	\$2.1	\$2.9	\$2.5	\$1.9	-22
Philippines	\$1.5	\$1.9	\$2.0	\$1.1	-45
Thailand	\$1.2	\$2.0	\$1.8	\$1.2	-30.6
Indonesia	\$2.5	\$4.1	\$4.5	\$4.8	5.6

#### ➤ JAPAN

In addition to being California's second-largest export market, Japan is the top foreign direct investor in California, far outpacing all other countries. California exports to Japan, the world's second largest economy, decreased by 24 percent to total \$11.1 billion in 2002. This follows on a decline of 11 percent in 2001. The decrease in exports was attributable to the overall economic slowdown and the Japanese recession. In addition, the Japanese yen has lost value compared to the dollar. The weakened Japanese currency means that U.S. products are more expensive for Japanese consumers, and thus decreases the demand for imported goods. This was confirmed by a 34 percent drop in the purchase of computer products.

<b>TABLE 5: TOP FIVE CALIFORNIA EXPORTS TO JAPAN, 1999-2002</b> <i>(in billions)</i>					
INDUSTRY	1999	2000	2001	2002	% change 01-02
Computer and electronic products	\$4.9	\$6.3	\$5.3	\$3.5	-34
Transportation equipment	\$1.5	\$1.8	\$1.9	\$1.5	-19.8
Machinery, except electrical	\$1.4	\$2.7	\$1.8	\$1.0	-42.7
Food and kindred products	\$ .87	\$ .93	\$ .97	\$ .86	-10.6
Miscellaneous manufactured commodities	\$ .63	\$ .74	\$ .84	\$ .71	-14.8
<b>TOTAL ALL INDUSTRIES</b>	<b>\$12.9</b>	<b>\$16.4</b>	<b>\$14.6</b>	<b>\$11.1</b>	<b>-24</b>

#### ➤ CHINA (MAINLAND)

California is the leading exporting state to China. Sales to China were down by four percent in 2002, totaling nearly \$4.5 billion. Sales of computer and electronic products (\$2.2 billion, down 13.6 percent) accounted for 49 percent of total exports to China. The next three largest categories – machinery (up 22.7 percent), waste and scrap (up 1.2 percent), and chemicals (up 14.8 percent) – all

experienced growth in 2002. In 2000 and 2001, China was California's fastest-growing major export market.

China's recent entry into the World Trade Organization (WTO) should provide additional opportunities for California companies to export their products to the Chinese market. Exceptional export growth opportunities are present in the following industries: telecommunications equipment, oil and gas, medical equipment, pharmaceuticals, and audio/visual equipment. California is a leader in all of these industries.

## THE AMERICAS

North American Free Trade Agreement (NAFTA) partners Mexico and Canada are California's first and third largest export markets, respectively. Exports to Mexico and Canada have grown significantly since the NAFTA came into effect in 1995. California exports to the Americas (including the Caribbean, Central and South America) reached \$28.7 billion in 2002, making the Western Hemisphere California's second-largest export market overall. This figure is down 8.3 percent from last year. California is the second-largest exporting state to the Americas, after Texas.

Growth in exports to Central America and the Caribbean was particularly impressive in 2002, as sales to most world regions decreased in the face of economic uncertainty. Although these markets represent a small portion of total California exports, they present exceptional opportunities for California companies interested in targeting the growth markets of Latin America and the Caribbean.

California's office of trade and investment in [Mexico City](#) assists California businesses in discovering new markets for their products and services in Mexico, Central America, South America, and the Caribbean.

TABLE 7: CALIFORNIA EXPORTS TO THE AMERICAS					
1999-2002					
(in billions)					
Country/Region	1999	2000	2001	2002	% Change 01-02
Mexico	\$13.6	\$17.5	\$16.3	\$16.1	-1.6
Canada	12.4	14.1	11.8	10.1	-24.1
South America	2.6	2.5	2.4	1.7	-26.2
Central America	.51	.45	.53	.57	8
Caribbean	.2	.21	.23	.26	12.8

### ➤ MEXICO

In 2002, **Mexico** retained its position as California's largest export market. California's exports to Mexico slipped 1.6 percent to total \$16.1 billion for the year. Mexico purchases just over 17% of all California exports.

California's exports to Mexico continue to be driven by computer and electronic products, which account for 38 percent of all California exports to Mexico. In 2002, exports in this sector decreased by 7.5 percent and totaled \$6.2 billion. Key exports to Mexico showing growth in 2002 include: non-electrical machinery (\$1.68 billion, up 24.2 percent) and chemicals (\$870.6 million, up 25.4 percent).

California exports to Mexico directly and indirectly support approximately 177,000 jobs in the Golden State, with more than half of these jobs resulting from export growth under NAFTA.

<b>TABLE 7: CALIFORNIA EXPORTS TO MEXICO, 2000-02</b> (in billions)					
	DESCRIPTION	2000	2001	2002	% Change 2001-02
	<b>TOTAL ALL INDUSTRIES</b>	<b>\$17.5</b>	<b>\$16.3</b>	<b>\$16.1</b>	<b>-1.63</b>
1	Computer and electronic products	8.0	6.8	6.3	-7.5
2	Machinery, except electrical	1.3	1.3	1.7	24.2
3	Food and kindred products	.57	.80	.64	-20.6
4	Fabricated metal products	.74	.78	.81	3
5	Plastics and rubber products	.72	.76	.76	-.2
6	Chemicals	.64	.69	.87	25.5
7	Transportation equipment	.58	.65	.64	-1.7
8	Electrical equipment, appliances, and component	.76	.62	.61	-.85
9	Paper	.58	.56	.54	-2.8
10	Apparel and accessories	.57	.54	.56	3.9

### ➤ **CANADA**

Canada is California's third largest export market, although California exports to Canada in 2002 decreased by 14.7 percent to \$10.1 billion. Canada purchases 11 percent of all California exports.

The decrease in exports to Canada was mainly due to a 28 percent fall in the export of computer and electronic products to \$3.8 billion. However, computers and electronic products remained California's largest exports to Canada, accounting for 37 percent of all California exports to Canada. Exports of agricultural products to Canada increased by 17 percent to total over \$1 billion. California exports to Canada directly and indirectly support approximately 111,000 jobs in California, with many of those resulting from export growth under NAFTA.

### ➤ **BRAZIL and MERCOSUR**

With a real GDP of over \$503 billion, Brazil is the second-largest economy in Latin America, after Mexico, and is California's largest export market in South America. Export sales totaled \$782.5 billion in 2002, a decrease of 34 percent from 2001. While sales of computer-related goods to Brazil dropped in 2002, exports of agricultural products grew for the second year in a row. Sales reached \$13.1 million, an increase of 24 percent. TTCA's [Argentina](#) office assists California companies in selling their products throughout South America.

California exports to the MERCOSUR economies (Brazil, Argentina, Paraguay and Uruguay) decreased 42 percent in 2002 to \$894 million. Exports to Argentina were down by 69 percent to \$93.5 million.

<b>TABLE 8: CALIFORNIA EXPORTS TO MERCOSUR COUNTRIES,</b> 1999-2002 (in millions)					
Country	1999	2000	2001	2002	% Change 01-02
Brazil	\$1,240	\$1,298	\$1,183	\$782.5	-34
Argentina	404.7	377.1	300.3	93.5	-69
Uruguay	29.8	26.9	33.6	11.9	-65
Paraguay	9.2	9.7	26.4	5.9	-78
Chile*	279.1	283.3	280.6	244.4	-13
Bolivia*	9.5	6.4	11.4	6.1	-46.3

\* Associate member



## EUROPE

Europe is California's third-largest export market after Asia and the Americas, with \$20.6 billion in sales for 2002. Exports to Europe account for 22 percent of total California export sales. Three European countries are top-ten export markets for California goods: the United Kingdom (#7), the Netherlands (#8) and Germany (#10). France, Italy, Belgium and Ireland consistently rank among California's top 20 export markets. The TTCA operates two offices of trade and investment in Europe: one in [London](#) and one in Frankfurt, Germany.

### ➤ EUROPEAN UNION

California exports to the European Union (EU) decreased 18.5 percent in 2002 to total \$18.6 billion. European Union countries purchase 20 percent of California exports. The United States exported \$143.7 billion worth of goods to the EU in 2002, down by 9.7 percent from 2001. California accounts for about 13 percent of total U.S. exports to the EU. With \$8.5 billion in sales in 2002, computer and electronic products account for 45 percent of California exports to the EU. Other top categories include non-electrical machinery (\$1.6 billion), transportation equipment (\$1.5 billion) and chemicals (\$1.7 billion).

<b>TABLE &amp; CALIFORNIA EXPORTS TO THE EUROPEAN UNION, 1999-2002 (in billions)</b>					
<b>Country</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>% Change 01-02</b>
United Kingdom	\$5.1	\$5.9	\$5.6	\$4.3	-22.2
Netherlands	3.9	4.9	4.3	3.6	-17
Germany	4.3	5.2	4.6	3.5	-25.3
France	2.2	2.9	2.2	1.8	-16
Belgium	1.0	1.1	1.1	1.2	10
Italy	1.3	1.5	1.4	1.1	-21
Ireland	1.1	1.2	1.0	.956	-7
Sweden	.59	.68	.61	.63	2.1
Spain	.69	.81	.72	.55	-22.5
Finland	.31	.34	.30	.25	-16
Denmark	.22	.24	.24	.22	-10.2
Austria	.17	.21	.23	.17	-26.2
Greece	.12	.17	.11	.08	-30
Portugal	.068	.074	.066	.06	-9
Luxembourg	.074	.16	.13	.03	-82.6
<b>TOTAL</b>	<b>\$21.3</b>	<b>\$25.7</b>	<b>\$22.8</b>	<b>\$18.6</b>	<b>-18.56</b>

### ➤ UNITED KINGDOM

The United Kingdom has traditionally been one of California's largest export partners. TTCA's London office is responsible for creating export opportunities for California companies in the UK and throughout Europe, the Middle East and Africa. The London and Frankfurt offices jointly sponsor the annual California Information Technology Partnering and Investment Forum or [Cal-IT](#).

The conference introduces up-and-coming California high-technology companies to the European market, creating trade and investment opportunities.

California exports to the United Kingdom (UK) totaled \$4.3 billion for 2002, making the UK California's seventh-largest export market. Two key sectors seeing growth were chemicals (+ 7.3 percent) and beverages/tobacco products (+ 11.1 percent). Computer products, although down for the year by 32 percent to \$2 billion, account for 46 percent of California exports to the UK.

## ➤ GERMANY

As the largest economy in Europe and the third-largest in the world, Germany has long been one of California's major export markets. Germany's world-renowned manufacturing and pharmaceutical industries rely on high-quality products from California exporters. After a 22 percent increase in 2000, California exports to Germany dropped by 11.5 percent in 2001 and by 25.2 percent in 2002, totaling \$3.5 billion.

The German economy has been especially hard-hit by the global economic slowdown that began in 2001, and is expected to be one of Europe's slowest-growing countries in 2003. GDP is predicted to grow by a mere 0.4 percent this year and by 1.5 percent in 2004.

## MIDDLE EAST

California exports to the Middle East totaled over \$1.6 billion in 2002, a decrease of 3 percent from 2001. The TTCA maintains a trade office in [Israel](#) that assists California businesses interested in selling goods to Israel and other areas in the Middle East. The Middle East is a relatively small market for California products, but as the region continues to develop, demand for high-technology goods is expected to increase.

Despite the general drop in exports, sales to several markets expanded in 2002. Exports to the United Arab Emirates grew by 16.4 percent and sales to Afghanistan grew by 20,578 percent – from \$265,399 in 2001 to \$54.7 million in 2002. Growth industries included miscellaneous manufactured commodities (up 22 percent) and non-electrical machinery (up 11 percent).

## AFRICA

The African continent is also a relatively small market for California exporters, but there are opportunities for growth in Africa, particularly in the agribusiness and telecommunications equipment industries. California's trade office in [South Africa](#) is a resource for exporters interested in breaking into the African markets. California exports to Africa reached \$503.4 million in 2002, an increase of .27 percent from the previous year. Of this amount, \$191.2 million worth of exports were sold to the Republic of South Africa. Several African countries showed impressive growth. Exports to Nigeria grew by 137.1 percent, following an increase of the same amount in 2001. Sales reached \$58.3 million. Sales to Mozambique increased by 907 percent, totaling \$13.5 million, and sales to Namibia were up by 99 percent in 2002. In addition, export sales increased in many categories, most notably in petroleum and coal products (up 6,877 percent), non-electrical machinery (up 51 percent) and transportation equipment (up 44 percent).

**TABLE 9: CALIFORNIA EXPORTS TO AFRICA  
TOP TEN EXPORT MARKETS, 2000-2002**

*(in millions)*

	<i>Description</i>	<i>ANNUAL 2000</i>	<i>ANNUAL 2001</i>	<i>ANNUAL 2002</i>	<i>% Change 2001-02</i>
	<b>AFRICA TOTAL</b>	<b>\$492.1</b>	<b>\$502.1</b>	<b>\$503.4</b>	<b>.27</b>
1	Republic of South Africa	244.2	211.9	191.2	-9.78
2	Egypt	99.5	88.1	81.8	-7.13

3	Nigeria	10.3	24.6	58.3	137
4	Morocco	20.9	23.2	23.9	3.19
5	Kenya	11.2	13.4	18.4	37.5
6	Namibia	.84	8.6	17.2	99.8
7	Mozambique	1.28	1.3	13.5	907
8	Algeria	12.0	11.2	13.2	17.3
9	Benin	3.7	6.2	7.8	27
10	Senegal	11.9	19.3	7.8	-59

## OCEANIA

California exports to the Oceania region, including Australia and New Zealand along with numerous island nations in the Pacific Ocean, totaled \$2.35 billion in 2002, a decrease of 7 percent from 2001. Australia is California's 13<sup>th</sup> largest export market, and purchased \$1.9 billion worth of exports in 2002, down 8.3 percent from 2001. Sales to New Zealand, California's 27<sup>th</sup> largest market, totaled \$345 million in 2002, a 1.25 percent increase from 2001. California is the second-largest U.S. exporting state to Oceania, after Washington. Total U.S. exports to Oceania reached \$15.2 billion in 2002, an increase of 13 percent the previous year.

## CONCLUSION

The key to California's economic success as a large exporting state is its diversity in terms of industries and export markets. California is home to several leading industry clusters, such as aerospace and defense, film and entertainment, biotechnology, agriculture and agribusiness, information technology, computer software and hardware, and myriad other manufacturing technology fields. While exports of computer-related products account for nearly half of all California overseas sales, it is important to note that California's competence in so many industries helps to keep the state afloat through good and bad economic times. In a similar vein, California's trade relationships with major world regions is such that although over 40 percent of exports are sold to Asia, the European and Latin American markets are also highly significant. Exports to Latin America are expected to increase when the Free Trade Area of the Americas is implemented in 2005, and exports to Europe may rise when the European Union accepts up to ten new member countries within the next couple of years.

California's network of overseas trade and investment offices are a major component of the state's success in international markets. Together with the Office of Export Development and the Office of Business Investment, the overseas offices promote exports and foreign investment by matching California products and services with foreign buyers. The offices also collect trade leads, offer counseling on market penetration strategies and advertise and promote California as a supplier and location for investment. Additionally, the offices organize foreign investment and buying missions to California and support businesses in foreign trade shows throughout the world.

The decline in California exports for 2002 can be attributed to the global economic slowdown that began in the second quarter of 2001, but California is more insulated against economic downturns because of its diverse economy.

## APPENDIX 1: CALIFORNIA'S TOP 25 EXPORT MARKETS, 2000-2002

CALIFORNIA EXPORTS BY COUNTRY, 2000-2002						
	Description	ANNUAL 2000	ANNUAL 2001	ANNUAL 2002	% 2000- 01	% 2001- 02
	<b>TOTAL ALL COUNTRIES</b>	<b>\$119,640,423,626</b>	<b>\$106,776,962,952</b>	<b>\$92,214,291,621</b>	<b>-10.75</b>	<b>-13.64</b>
1	MEXICO	17,515,499,806	16,343,059,021	16,076,278,716	-6.69	-1.63
2	JAPAN	16,444,069,664	14,635,142,248	11,105,481,256	-11.11	-24.12
3	CANADA	14,075,923,136	11,815,998,130	10,075,349,090	-16.06	-14.73
4	CHINA (TAIWAN)	7,362,505,419	5,664,473,539	5,391,410,188	-23.06	-4.82
5	KOREA, R EPUBLIC OF	6,917,399,863	5,034,854,042	4,711,813,988	-27.21	-6.42
6	CHINA (MAINLAND)	3,546,020,626	4,676,055,993	4,482,406,595	31.87	-4.14
7	UNITED KINGDOM	5,984,508,501	5,588,784,478	4,347,288,683	-6.61	-22.21
8	HONG KONG	4,148,008,028	3,933,958,170	3,684,088,312	-5.16	-6.35
9	NETHERLANDS	4,958,718,929	4,318,232,312	3,577,232,474	-12.92	-17.16
10	GERMANY	5,263,094,289	4,657,434,817	3,480,146,369	-11.51	-25.28
11	SINGAPORE	5,011,089,717	4,226,820,086	3,298,386,125	-15.65	-21.97
12	MALAYSIA	2,978,396,221	2,554,180,669	1,998,619,632	-14.24	-21.75
13	AUSTRALIA	2,442,013,283	2,084,530,915	1,910,109,418	-14.64	-8.37
14	FRANCE	2,942,798,216	2,241,985,812	1,885,360,489	-23.81	-15.91
15	BELGIUM	1,087,032,319	1,131,685,185	1,244,893,187	4.11	10.00
16	THAILAND	2,022,350,467	1,790,069,672	1,242,208,876	-11.49	-30.61
17	PHILIPPINES	1,930,557,946	2,011,344,833	1,100,603,827	4.18	-45.28
18	ITALY	1,534,282,158	1,393,874,818	1,095,318,852	-9.15	-21.42
19	IRELAND	1,231,038,968	1,030,394,845	956,596,702	-16.3	-7.16
20	BRAZIL	1,298,763,082	1,183,970,661	782,573,449	-8.84	-33.9
21	ISRAEL	1,073,845,563	812,228,406	740,538,517	-24.36	-8.83
22	SWITZERLAND	960,041,298	844,796,298	708,944,635	-12.00	-16.08
23	INDIA	596,344,179	635,819,738	674,262,184	6.62	6.05
24	SWEDEN	687,847,798	614,166,458	627,255,653	-10.71	2.13
25	SPAIN	814,507,815	719,771,558	557,476,060	-11.63	-22.55

Source: MISER

## APPENDIX 2: CALIFORNIA EXPORTS BY INDUSTRY, 2000-2002

	Description	ANNUAL 2000	ANNUAL 2001	ANNUAL 2002	%2000-01	%2001-02
	<b>TOTAL ALL INDUSTRIES</b>	<b>\$119,640,423,626</b>	<b>\$106,776,962,952</b>	<b>\$92,214,291,621</b>	<b>-10.75</b>	<b>-13.64</b>
1	COMPUTER AND ELECTRONIC PRODUCTS	61,447,259,969	50,311,415,093	39,671,888,310	-18.12	-21.15
2	MACHINERY, EXCEPT ELECTRICAL	13,774,370,325	10,695,274,268	9,517,571,204	-22.35	-11.01
3	TRANSPORTATION EQUIPMENT	8,158,323,273	8,445,342,109	7,099,717,690	3.52	-15.93
4	CHEMICALS	4,774,683,957	5,189,510,724	5,417,794,765	8.69	4.4
5	MISCELLANEOUS MANUFACTURED COMMODITIES	4,106,622,753	4,369,777,068	4,497,655,481	6.41	2.93
6	AGRICULTURAL PRODUCTS	3,589,864,259	3,916,471,879	3,990,886,421	9.1	1.9
7	FOOD AND KINDRED PRODUCTS	3,433,689,416	3,900,620,323	3,550,885,719	13.6	-8.97
8	ELECTRICAL EQUIPMENT, APPLIANCES, AND COMPONENT	3,967,665,547	3,325,296,780	2,988,510,372	-16.19	-10.13
9	SPECIAL CLASSIFICATION PROVISIONS, NESOI	2,662,820,931	2,523,368,686	2,355,161,860	-5.24	-6.67
10	FABRICATED METAL PRODUCTS, NESOI	2,094,938,121	2,450,330,925	2,157,888,964	16.96	-11.93
11	PLASTICS AND RUBBER PRODUCTS	1,668,814,250	1,639,210,942	1,537,871,552	-1.77	-6.18
12	APPAREL AND ACCESSORIES	1,128,890,608	1,119,928,528	1,115,637,069	-0.79	-0.38
13	WASTE AND SCRAP	899,006,656	1,040,672,345	1,059,637,551	15.76	1.82
14	PAPER	1,090,348,836	1,066,285,909	1,051,420,085	-2.21	-1.39
15	PRIMARY METAL MANUFACTURING	1,270,459,250	1,114,286,186	1,012,986,853	-12.29	-9.09
16	PETROLEUM AND COAL PRODUCTS	921,523,653	1,007,290,509	834,050,149	9.31	-17.2
17	NONMETALLIC MINERAL PRODUCTS	740,912,351	800,447,078	733,412,096	8.04	-8.37
18	BEVERAGES AND TOBACCO PRODUCTS	621,780,053	660,334,560	655,456,273	6.2	-0.74
19	TEXTILES AND FABRICS	464,428,691	553,743,360	613,775,337	19.23	10.84
20	PRINTING, PUBLISHING AND SIMILAR PRODUCTS	661,476,253	667,092,027	578,785,674	0.85	-13.24
21	WOOD PRODUCTS	473,106,043	428,736,067	392,725,549	-9.38	-8.4
22	FURNITURE AND FIXTURES	332,844,897	273,325,761	259,947,842	-17.88	-4.89
23	USED OR SECOND-HAND MERCHANDISE	308,790,365	247,637,891	215,498,879	-19.8	-12.98
24	LEATHER AND ALLIED PRODUCTS	247,144,089	259,868,888	214,455,133	5.15	-17.48
25	FISH, FRESH, CHILLED, OR FROZEN AND OTHER MARINE P	199,404,785	190,909,765	177,006,961	-4.26	-7.28
26	TEXTILE MILL PRODUCTS	149,760,038	152,873,134	150,434,208	2.08	-1.6
27	MINERALS AND ORES	136,835,666	138,739,356	115,522,364	1.39	-16.73
28	GOODS RETURNED TO CANADA (EXPORTS ONLY); U.S. GOOD	146,143,660	152,494,812	89,863,839	4.35	-41.07
29	OIL AND GAS	75,234,324	53,225,178	70,187,195	-29.25	31.87
30	LIVESTOCK AND LIVESTOCK PRODUCTS	60,237,025	46,468,413	45,713,806	-22.86	-1.62
31	FORESTRY PRODUCTS, NESOI	33,043,582	35,984,388	41,942,420	8.9	16.56

Source: MISER

### APPENDIX 3: U.S. EXPORTS BY STATE, 2000-2002

	Description	ANNUAL 2000	ANNUAL 2001	ANNUAL 2002	%2000- 01	%2001- 02
	<b>TOTAL ALL STATES</b>	<b>\$780,418,627,647</b>	<b>\$731,025,906,239</b>	<b>\$693,257,299,708</b>	<b>-6.33</b>	<b>-5.17</b>
1	TEXAS	103,865,689,486	94,995,266,011	95,396,196,650	-8.54	0.42
2	CALIFORNIA	119,640,423,626	106,776,962,952	92,214,291,621	-10.75	-13.64
3	NEW YORK	42,845,956,538	42,172,061,887	36,976,801,261	-1.57	-12.32
4	WASHINGTON	32,214,701,427	34,928,533,081	34,626,548,518	8.42	-0.86
5	UNKNOWN STATE	58,453,978,244	41,505,556,954	34,467,614,546	-28.99	-16.96
6	MICHIGAN	33,845,300,628	32,365,839,769	33,775,231,735	-4.37	4.35
7	OHIO	26,322,241,431	27,094,733,991	27,723,272,950	2.93	2.32
8	ILLINOIS	31,437,607,063	30,434,397,866	25,686,413,863	-3.19	-15.6
9	FLORIDA	26,542,976,044	27,184,581,083	24,544,204,050	2.42	-9.71
10	LOUISIANA	16,814,289,115	16,588,957,086	17,566,658,462	-1.34	5.89
11	NEW JERSEY	18,637,554,269	18,945,750,514	17,001,514,036	1.65	-10.26
12	MASSACHUSETTS	20,514,408,713	17,490,110,435	16,707,593,003	-14.74	-4.47
13	PENNSYLVANIA	18,792,448,265	17,433,128,844	15,767,793,573	-7.23	-9.55
14	INDIANA	15,385,774,205	14,365,374,961	14,923,048,754	-6.63	3.88
15	NORTH CAROLINA	17,945,940,353	16,798,897,658	14,718,504,679	-6.39	-12.38
16	GEORGIA	14,925,063,441	14,643,686,120	14,412,699,643	-1.89	-1.58
17	ARIZONA	14,333,689,364	12,513,510,020	11,871,004,413	-12.7	-5.13
18	TENNESSEE	11,591,573,722	11,320,176,975	11,621,338,991	-2.34	2.66
19	VIRGINIA	11,698,059,189	11,630,942,904	10,795,528,315	-0.57	-7.18
20	WISCONSIN	10,508,412,776	10,488,671,381	10,684,271,079	-0.19	1.86
21	KENTUCKY	9,612,209,099	9,047,966,483	10,606,719,719	-5.87	17.23
22	MINNESOTA	10,302,501,927	10,524,370,427	10,402,161,848	2.15	-1.16
23	OREGON	11,441,272,458	8,900,413,543	10,086,397,279	-22.21	13.33
24	PUERTO RICO	9,735,372,185	10,573,285,489	9,732,152,738	8.61	-7.96
25	SOUTH CAROLINA	8,565,125,621	9,956,333,445	9,656,247,356	16.24	-3.01
26	CONNECTICUT	8,046,838,282	8,610,434,400	8,313,390,369	7	-3.45
27	ALABAMA	7,317,040,379	7,570,360,047	8,266,884,455	3.46	9.2
28	MISSOURI	6,497,147,453	6,173,043,220	6,790,778,019	-4.99	10.01
29	COLORADO	6,592,983,582	6,125,493,907	5,521,684,934	-7.09	-9.86
30	KANSAS	5,145,445,243	5,004,547,031	4,988,409,666	-2.74	-0.32
31	IOWA	4,465,485,587	4,659,583,632	4,754,600,372	4.35	2.04
32	UTAH	3,220,823,358	3,506,385,857	4,542,724,908	8.87	29.56
33	MARYLAND	4,592,884,830	4,974,873,353	4,473,575,879	8.32	-10.08
34	MISSISSIPPI	2,725,551,160	3,557,419,409	3,058,007,811	30.52	-14.04
35	ARKANSAS	2,599,267,983	2,911,181,439	2,803,644,920	12	-3.69
36	NEBRASKA	2,511,182,831	2,701,795,235	2,527,632,208	7.59	-6.45
37	VERMONT	4,097,073,496	2,830,359,684	2,520,954,929	-30.92	-10.93
38	ALASKA	2,464,139,017	2,418,284,148	2,516,219,755	-1.86	4.05
39	OKLAHOMA	3,072,176,920	2,661,343,723	2,443,577,842	-13.37	-8.18
40	WEST VIRGINIA	2,219,278,067	2,241,004,580	2,237,153,729	0.98	-0.17
41	DELAWARE	2,197,395,550	1,984,812,868	2,003,814,025	-9.67	0.96
42	MAINE	1,778,694,956	1,812,455,075	1,973,060,885	1.9	8.86

	Description	ANNUAL 2000	ANNUAL 2001	ANNUAL 2002	%2000- 01	%2001- 02
	<b>TOTAL ALL STATES</b>	<b>\$780,418,627,647</b>	<b>\$731,025,906,239</b>	<b>\$693,257,299,708</b>	<b>-6.33</b>	<b>-5.17</b>
43	IDAHO	3,558,622,840	2,122,100,085	1,966,982,060	-40.37	-7.31
44	NEW HAMPSHIRE	2,373,326,695	2,401,032,490	1,863,287,991	1.17	-22.4
45	NEW MEXICO	2,390,543,488	1,404,619,792	1,196,144,288	-41.24	-14.84
46	NEVADA	1,481,897,493	1,423,225,075	1,176,998,664	-3.96	-17.3
47	RHODE ISLAND	1,185,571,357	1,268,612,283	1,121,004,971	7	-11.64
48	DISTRICT OF COLUMBIA	1,003,176,776	1,033,601,539	1,065,873,322	3.03	3.12
49	NORTH DAKOTA	625,916,811	806,109,510	859,383,042	28.79	6.61
50	SOUTH DAKOTA	679,366,184	594,874,206	596,785,049	-12.44	0.32
51	WYOMING	502,453,266	503,269,217	553,360,838	0.16	9.95
52	HAWAII	386,812,735	369,866,479	513,650,873	-4.38	38.87
53	MONTANA	540,641,778	488,521,986	385,734,573	-9.64	-21.04
54	U.S. VIRGIN ISLANDS	174,320,341	187,186,090	257,770,249	7.38	37.71

Source: MISER